

**Amendment No. 1 to SB3513**

**Cooper  
Signature of Sponsor**

**AMEND Senate Bill No. 3513\***

**House Bill No. 3356**

By deleting all of the language after the enacting clause and by substituting instead the following language:

SECTION 1. This act shall be known and may be cited as the "Visual Content Act of 2006".

SECTION 2. Tennessee Code Annotated, Title 4, Chapter 3, Part 50, is amended by adding the following language as a new section:

Section 4-3-5007. In addition to any other permits required by law, a producer of a motion picture or television programming in Tennessee shall, prior to production, apply for a production permit on a form prescribed by the Tennessee film, entertainment and music commission. The commission shall issue a production permit upon submission of a completed application. No charge shall be made for a permit pursuant to the section. The commission shall forward a copy of any such permit to the local film commission in the area in which such production will be produced.

SECTION 3. Tennessee Code Annotated, Title 4, Chapter 3, Part 7, is amended by adding the following language as a new section:

Section 4-3-734.

(a) For the purpose of this section, unless the context otherwise requires:

(1) "Board" means the Tennessee motion picture and television programming incentive board;

(2) "Commission" means the Tennessee film, entertainment and music commission;

(3) "Commissioner" means the commissioner of economic and community development;

(4) "Department" means the department of economic and community development;

(5) "Executive director" means the director of the Tennessee film, entertainment and music commission;

(6) "Film/TV fund" means the Tennessee film/television incentive fund;

(7) "Minority business" means a business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin. Such business shall have annual gross receipts of less than one million dollars (\$1,000,000);

(8) "Minority participant" means an individual who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin;

(9) "Production company" means any person that produces a film, movie, pilot or show in Tennessee;

(10) "State-certified production" means a film, movie, pilot or show which has been certified by the Tennessee motion picture and television programming incentive board as a production in which:

(A) At least fifty percent (50%) of the principal photography will be performed in Tennessee; or

(B) At least fifty percent (50%) of the total production costs will be expended in Tennessee; and

(11) "Tennessee motion picture and television incentive grant" or "T-incentive grant" means a grant awarded by the Tennessee motion picture and television programming incentive board to a production

company for use in producing a state-certified production in accordance with the provisions of this section.

(b)

(1) There is created a special account in the state treasury to be known as the "Tennessee Film/Television Incentive Fund", hereinafter referred to as the "film/TV fund".

(2) The film/TV fund is composed of:

(A) Funds appropriated by the general assembly for the film/TV fund; and

(B) Gifts, grants and other donations received by the Tennessee motion picture and television programming incentive board, or the treasurer on behalf of the board, for the film/TV fund. Any such grant or gift shall be deposited into the film/TV fund for use in accordance with the provisions of this section. Any grant or gift may be subject to reasonable conditions imposed by the grantor which are not inconsistent with the provisions of this section; provided that no grant or gift made to the film/TV fund shall be refundable, revocable or otherwise subject to any reversionary interest to the grantor. The board shall develop guidelines on the acceptance of conditional grants or gifts to the film/TV fund.

(3) Moneys in the film/TV fund shall be appropriated and expended exclusively to provide Tennessee motion picture and television incentive grants to qualified production companies for use in producing state-certified productions and to defray the costs of administering the provisions of this section.

(4) Moneys in the film/TV fund may be invested by the state treasurer in accordance with the provisions of §9-4-603.

(5) Notwithstanding any provision of law to the contrary, interest accruing on investments and deposits of the film/TV fund shall be credited to such fund, shall not revert to the general fund, and shall be carried forward into the subsequent fiscal year.

(6) Any balance remaining unexpended at the end of a fiscal year in the film/TV fund shall not revert to the general fund but shall be carried forward into the subsequent fiscal year.

(c)

(1) The film/TV fund shall be administered by the Tennessee motion picture and television programming incentive board. Such board shall be composed of seven (7) members as follows:

(A) The commissioner of economic and community development, who shall serve as chair;

(B) The commissioner of the department of revenue;

(C) The commissioner of the department of tourist development;

(D) The executive director of the Tennessee film, entertainment and music commission, who shall serve as vice-chair; and

(E) Three (3) citizen members, one (1) from each grand division, appointed by the governor.

(2)

(A) Each citizen member shall serve for a term of two (2) years and may be reappointed; provided that no citizen member shall be eligible to serve more than four (4) consecutive years.

(B) The term of office of each citizen member shall commence on February 1, following such member's appointment; provided, however, that the term of office for each initial member

shall commence on the date of appointment but shall be calculated, for purposes of the term, from February 1, 2007. All initial appointments of members shall be made on or before June 1, 2006.

(C) In making appointments pursuant to this subsection, the governor shall strive to ensure that the board is composed of members who are diverse in professional or educational background, ethnicity, race, sex, heritage, perspective and experience.

(3) A majority of the members of the board shall constitute a quorum for the transaction of any business and for the exercise of any power or function of the board.

(4) Action may be taken and motions and resolutions adopted by the board at any board meeting by the affirmative vote of a majority of present and voting members.

(5) Members of the board shall be reimbursed for actual and reasonable expenses incurred in attending meetings of the board.

(6) The department of economic and community development shall furnish such professional, technical, clerical, and secretarial help as the board may require. The board may also call on the staff of the Tennessee film, entertainment and music commission for such advice or services as it may require.

(d)

(1) Beginning on November 1, 2006, T-incentive grants may be awarded by the board to qualified applicants from funds available in the film/TV fund. The amount of any grant shall be consistent with the rules and regulations adopted by the board.

(2)

(A) If a production company believes a project qualifies as a state certified production eligible for a T-incentive grant, such production company shall submit a T-incentive grant application to the commission on a form prescribed by the commission in consultation with the department. Such application shall include all information necessary for a complete review including, but not limited to, a minority business participation plan, budgets and other financial materials relating to the proposed production. The commission shall review all materials received and shall forward completed applications, and all accompanying materials, to the board for further review and consideration.

(B) The board shall review all applications received from the commission. If the board concludes that a production is a state-certified production and that such production meets or exceeds the grant criteria as established by the board pursuant to subdivision (d)(3), the board may award a T-incentive grant to the production company for such project.

(3) The board shall adopt grant criteria for a project which may include the following provisions:

(A) A minimum base investment in Tennessee;

(B) A minimum percentage of the total number of cast and crew working on a production in Tennessee that is Tennessee based cast and crew;

(C) A minimum Tennessee music component; and

(D) A minimum minority business component.

(4) All grant recipients shall be subject to audit by the comptroller of the treasury as to the funds received pursuant to this section and any other controls and requirements as determined by the board.

(5) The board shall strive to provide projects produced in all three  
(3) grand divisions of the state with T-incentive grants.

(6) The board shall actively encourage independent producers  
and minority participants in applying for T-incentive grants.

(7) T-incentive grants shall not exceed the amount available in  
the film/TV fund at any time. No less frequently than biannually, the chair  
of the board shall report to the commissioner of finance and  
administration on the status of the Tennessee film incentive grant  
program, such report to include at least the following information: the  
amount of each grant awarded since the previous report and the name of  
the production company receiving the benefit of such grant, the total  
amount of outstanding grants and the total unobligated amount in the  
film/TV fund. A copy of each such report shall be transmitted to the  
speaker of the house of representatives and the speaker of the senate,  
the chairs of the finance, ways and means committees, the state  
treasurer and the state comptroller.

SECTION 4. The board of regents is urged to develop a technical filmmaking  
course of study which may be implemented in community colleges in each grand division  
of the state. In developing any such program, the board shall consult with Tennessee  
film, entertainment and music commission, local film commissions and industry  
representatives to determine the best objectives and curriculum for such program.

SECTION 5. The commissioner of the department of economic and community  
development shall study the potential economic impact of recruiting, and the potential  
relocation of, video game industry companies to Tennessee. Such study shall be  
conducted in consultation with the Tennessee film, entertainment and music  
commission. Any recommendations shall be reported to the chairs of the house and  
senate finance, ways and means committees prior to February 14, 2007.

SECTION 6.

(a) The department of economic and community development is authorized to promulgate rules and regulations as the department may deem necessary to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with the provisions of the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(b) Notwithstanding the provisions of §§4-5-208 and 4-5-209 or any other provision of law to the contrary, the department of economic and community development is authorized to promulgate public necessity rules and emergency rules to implement the provisions of this act.

(c) The Tennessee motion picture and television programming incentive board is authorized to promulgate rules and regulations as the board may deem necessary to effectuate the purposes of this act. All such rules and regulations shall be promulgated in accordance with the provisions of the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(d) Notwithstanding the provisions of §§4-5-208 and 4-5-209 or any other provision of law to the contrary, the Tennessee motion picture and television programming incentive board is authorized to promulgate public necessity rules and emergency rules to implement the provisions of this act.

SECTION 7. Tennessee Code Annotated, Section 4-29-229(a), is amended by adding a new subdivision thereto, as follows:

(\_) Tennessee motion picture and television programming incentive board, created by §4-3-734;

SECTION 8. If any provision of this act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to that end the provisions of this act are declared to be severable.

SECTION 9. This act shall take effect upon becoming a law, the public welfare requiring it.

